

OF A RENAISSANCE man still exists, then Trevor Lyttleton hits the bill. Accomplished in the arts as a musician and in his profession as a solicitor, he has also played a main role in the overhaul of the Performing Right Society.

Now a sole practitioner specialising in copyright and entertainment law, Mr Lyttleton also acts as a consultant to the London firm Jay Benning & Levine. His legal career started in his home county of Yorkshire at the end of the 1950s, but he soon came to London – making an unlikely start in the corporate law division of Freshfields.

By 1969 he had left private practice to try his hand at commerce and industry, acting as in-house counsel for Radio Rentals. And, ironically, it was a three-month Radio Rentals-sponsored stint at the Harvard Business School that promoted his music career.

While in the States, Mr Lyttleton – who had always had 'a facility for ad-libbing on the piano' – was encouraged by a US composer to devote more time to his own music. Mr Lyttleton returned to private practice as a consultant to the London copyright specialists Rubinstein Callingham Polden & Gale. He carried on writing his own music and soon had relative success with a Eurovision semi-finalist tune – 'The time has come'.

Since then, Mr Lyttleton has made a conscious decision to focus on light instrumental work, writing theme music for radio and television. In total, he has built up a catalogue of some 300 recorded titles, and he is the first Western producer to sign a record deal in China.

In addition to being a music and legal professional, Mr Lyttleton is a patient and persistent man. Over the last 15 years he has consistently challenged one of the most secretive professional monopolies in the world – the Performing Rights Society. In fact, he has been so successful in his battle with the PRS that this year he achieved the ultimate triumph of being



One-man band

Solicitor-musician Trevor Lyttleton has spent years battling with the Performing Right Society.
Jonathan Ames reports

voted on to its 24-member council.

It is a saga that taxed both Mr Lyttleton's endurance and his legal mind. The PRS annually collects and distributes £150 million royalties for all musicians in the UK. Membership, which now tops 25,000, varies widely, from the taxi driver who once knocked up a ditty that cracked the top 100 to the Elton Johns of the world.

Mr Lyttleton joined the PRS 21 years ago. At that time, 86% of the membership was denied the right to vote, to attend general meetings or to see the accounts. The ruling council had sole discretion in who was franchised, but that voting list was not released to the non-franchised members.

Mr Lyttleton credits his legal training as spawning his initial questioning of the PRS status quo. 'Being a lawyer, I asked a great many more questions than the average member,' he recalls now from his home/office near London's Marble Arch. 'I got stony silences, or very poor answers, when I complained about lack of information

and that the accounts were very scanty.'

In 1976, Mr Lyttleton went public with a complaint about the leadership of the PRS which drew the immediate response of a libel writ from its then chief executive. He announced that all the PRS rank and file wanted of their leadership was 'for the society to be run properly, honestly and openly'.

The society's hierarchy anticipated that Mr Lyttleton would turn tail, but to their great surprise he vigorously defended the case. Finally, according to Mr Lyttleton, the PRS 'ran away from the suit on the doorstep of the court'.

With a successful first round under his belt, Mr Lyttleton again took the offensive. He called for an independent review of the PRS and its administrative system.

This time the two sides did end up before a judge, first in the High Court and then in the Court of Appeal. Technically, the latter upheld the PRS council's right not to produce the voting list, but Parliament came to the rescue by incorporating an

amendment to the Companies Act 1981 which forced the society to say who had the right to vote.

In the end, voting rights were increased to include 54% of members, based on individual earning figures. Of the total membership, some 80% earn less than £250 in royalties annually.

But the real undoing of the PRS old guard and the elevation of Mr Lyttleton to the council came from a recent disagreement over a new computer system designed to make royalties collection more efficient but which Mr Lyttleton claims was an expensive failure.

'There was tremendous pressure from members and some of the council for me to stand for office – which was something I had never sought because I had always regarded myself as being more effective from the outside. But I thought if I could get a really thumping endorsement, I could be a powerful voice.' Mr Lyttleton recorded the largest majority in PRS council election history.

Indeed, music copyright law generally is a rapidly evolving area worldwide. Mr Lyttleton points to the advent of satellite television opening a new and confusing field of work to specialists.

Dealing with prickly and unexplored areas of copyright is nothing new to Mr Lyttleton who, when he first went to China eight years ago, discovered a country 'with no concept of copyright or royalties as we know them'.

Mr Lyttleton had to create his own contracts on the spot in Beijing. But, just less than two years ago, the Chinese authorities enacted a copyright law. Sadly for Mr Lyttleton – whose music is played against the national television news – the legislation does not protect works composed before the date of the Act.

Undaunted, Mr Lyttleton is planning another trip to Beijing to assess the situation. The Chinese would be ill-advised to be complacent about his tenacity. All they need do is consult a few ex-PRS council members.

Secrets

fish and chips, beer and skittles, eggs and bacon, PRS and Trevor Lyttleton. They all go together in the music business like a horse and carriage. So what is the PRS and who is TL?

The PRS, or Performing Rights Society, was established in 1914 to handle copyright on behalf of composers and authors. From the early 19th century, composers and authors have had the right to control the public performance of their works in Britain. In theory you have to ask the composer's permission before you perform his or her tune in public. Obviously this is impractical. Composers would spend so much time writing letters of permission and collecting fees, that they wouldn't have time to compose. That's why the PRS was created to act on their behalf. It's a non-profit-making society, with over 13,000 members, which in effect means virtually all British and Irish composers. By reciprocal agreements with similar organisations abroad, like BMI and ASCAP in America and GEMA in Germany, the PRS represents nearly half a million composers worldwide. If you run a radio station, or a restaurant, a dance hall or a bar, and you want to play any music in public, then one way or another you'll have to pay money to the PRS for a licence. The bigger you are, and the more music you play, then the higher the fee you pay. The only performances which are exempt are church services and occasional charity events. So every year the PRS pulls in around £40 million from Britain and abroad and it earns quite a few million more from investment.

Because the PRS is non-profit-making, all the money paid in has to be distributed to the composers, after administration costs (around 15%) have been deducted. In theory the people paying the PRS fill in forms which identify all the works performed, and so make it easy for the PRS to pay out royalties to the composers. A points system, which takes into account the length of the work (pop song or concerto) and the type of performance (village hall or Albert Hall) governs the amount of cash paid out. In practice, although radio stations and big concert halls are pretty accurate over their PRS returns, there is a vast pool of untraced and untraceable performances. On this score you've got to hand it to the PRS, they do their best at what is a virtually impossible task.

That's why, before Trevor Lyttleton started to row publicly with the PRS, few people outside the music business had heard of the society. But now, after over six years of editorial leaders in *The Guardian*, letters to the press from MPs, announcements in *The Times*, analysis in *Time Out* and snipes from *Private Eye*, the PRS is a household word. In fact the row has been going on for so long that most people have forgotten how it began.

Trevor Lyttleton is a lawyer and composer,

best known for his contribution to the musical *A Day in Hollywood/A Night in the Ukraine*. This started life in a little theatre in Hampstead, transferred to Broadway and won a Tony Award. It also made headlines when the Marx Brothers' estate unhumourously sued all concerned because the production contained imitations of a Marx Brothers' act. If the Marx estate had won, it would have put a stop to just about all entertainment on the American stage and screen, because almost everyone in comedy is impersonating someone else. Lyttleton the composer donned his lawyer's hat and together with a gaggle of American attorneys, successfully defended the show. But all this was 10 years after Lyttleton joined the PRS and started to find fault with the way it was run.

What he objected to was the lack of accountability. To cut a long and very complicated story short, the PRS operation is run by a council of directors made up from 12 composers and authors and 12 music publishers. These are elected by the members of the PRS. But only 14% of the total membership could vote, attend general meetings and receive corporate reports. The voting members were selected by the council and their identity was known only to the council. Not surprisingly, since 1914, when the PRS was founded, no one had been elected to the council unless they had been sponsored by the council. Lyttleton described this as a self-perpetuating oligarchy and lobbied for a change.

The PRS argued that it is necessary to have a weighted system of voting to ensure that semi-professional composers, who write music in their spare time, don't have as much voting clout as the most successful professional writers and the publishing companies. This is why around 400 members, who earn the most, have 20 votes each (the so-called supervoters) while the rest have either 10 votes or one vote or no votes. The PRS also argued against revealing the names of the supervoters, who effectively controlled the society and whose names were known only to the council, because it would embarrass those who weren't supervoters. They would immediately be identified as earning less, and thus seen to be less successful as composers.

The whole thing blew up, in most colourful fashion, in 1976 when *Music Week* quoted Lyttleton as saying "All we want is that the society be run properly, honestly and openly... there is no doubt that in the past PRS decisions have been made behind closed doors without the membership being aware of what was going on." The sludge hit the fan and the next week *Music Week* published a grovelling apology to the PRS and Michael Freegard, its general manager. But Lyttleton wouldn't apologise. So Freegard, backed by the PRS council and PRS money, sued Lyttleton. As Lyttleton prepared his case he also started to muster support amongst MPs and

journalists. If he ever tires of being a composer and lawyer, he could clearly do well as a PR man.

The libel case was dropped, one day before it came to court. Freegard and the PRS were ordered to pay costs. But Lyttleton wouldn't let things rest. He asked for a list of the supervoters, which the PRS promptly refused to provide. So Lyttleton sued the PRS. The High Court ordered the PRS to produce the list, but the PRS (with almost limitless funds available) appealed. Lyttleton buckled under the cost and backed down. Since then the PRS has been re-couping legal costs from Lyttleton out of PRS royalties payable to him for shows like the Broadway musical. This has cost him over £2,000. But in all Lyttleton has spent six years of energy and tens of thousands of pounds on the campaign. The PRS has spent what must surely be hundreds of thousands in fighting back. Meanwhile the vexed question of the voting list went to the vote and the PRS members voted overwhelmingly to end the secrecy. So if you are a member of the PRS you can now ask to see the list of the 400 people who effectively control the society. Last year the law was changed with what became known as the 'PRS Amendment' to the Companies Act. As such, Lyttleton's campaign has been a victory for democracy. It's proved once again that if one man is prepared to spend enough time and money, and make enough noise, then immovable objects can be moved.

So how does Michael Freegard feel about the outcome? For anyone who has read or heard only Trevor Lyttleton's side of the story, Freegard's views come as something of a surprise. "Lyttleton had some good ideas on accountability," says Freegard. "And the matter he raised was going to be looked at by the council. But by that time Trevor Lyttleton was going to the courts." A little nervously I put the 64,000 dollar question to Freegard. Did he think he was right to sue Lyttleton, personally, using PRS money, and so unleash the full fury of a lawyer-composer-self-publicist scorned?

"With the benefit of hindsight I now know that I was badly advised to take personal action," says Freegard. "I should have withdrawn the writ, but by then the dispute was well under way. It wouldn't have resolved any problems."

Let's hope now that with the secret list no longer secret and Freegard big enough to say he was wrong to sue, the PRS can get on with its job of paying composers their royalties and Lyttleton can get on with his job of writing songs and earning money out of the law, rather than losing it. But let the last six years of trials and tribulations and expense for all concerned be an awful warning to any self-satisfied music business trade body which thinks it's too big to care about objections raised by individual members.



Letters

Performing Rights

Sir,

In almost 50 years as 'watch-dog' of corporate management in the United States, I have never witnessed a series of alleged derelictions quite like the following example from the UK:-

1. Trevor Lyttleton, a lawyer and composer, joined the Performing Rights Society in 1971. The PRS is a monopoly and a company limited by guarantee which all composers have to join to receive payment for the public performance of their works.

2. Lyttleton, initially a Provisional Associate Member of the PRS, rightly became interested in its methods of operation.

3. In 1976 Lyttleton raised serious questions concerning the voting structure of PRS, viz:- only 14% of the membership could vote, attend General Meetings or receive corporate reports. Further, those members who could vote were selected by the Council and their identity was known only to the Council. As a result, since 1914, no person who was not sponsored by the Council had ever been elected to the Council, thereby creating a self-perpetuating Council for the last 62 years.

4. Lyttleton questioned the fairness and honesty of such a system and was immediately subjected to a libel suit brought in the name of the PRS General Manager, Mr Michael Freegard, which suit was, by vote of the Council, financed completely out of the moneys of the members (of whom Lyttleton was one, placing him in the remarkable position of financing in part a libel suit against himself).

5. Lyttleton defended this suit on the basis of truth. He was both willing and eager to prove that Freegard, the spokesman and General Manager of PRS who claimed that he had brought this action on his own behalf and in a representative capacity for members of the PRS Council, was in truth guilty of acting, in Freegard's own words: "improperly, dishonestly and secretly" in the discharge of his responsibilities at PRS.

6. When Freegard discovered that, despite the Council's apparent massive expenditure of PRS members' moneys (estimated at some £200,000) on behalf of Freegard in combatting Lyttleton, Lyttleton had no intention of withdrawing his damning defence, Freegard abjectly dropped the libel suit on the very day before it was to come to trial, agreed to pay Lyttleton's costs, and was further humiliated by having to undertake never again to bring such a claim in respect of the words complained of.

7. Meanwhile Lyttleton had noted that very substantial interest-free loans had been made to favoured officers of PRS, of whom Freegard was a major recipient. Further, in 1973 Freegard exercised an option to purchase a house owned by PRS which he had occupied, for the price PRS had paid rather than the much greater prevailing market value. It is believed (the PRS Council is not very forthcoming with information like this) that the money required for Freegard to make that purchase was advanced in whole or in part from the members' funds by the practice of making interest-free loans to Executive Officers.

8. In refusing to divulge information to Lyttleton and members of the press and Parliament, PRS continually hid behind corporate laws which were designed to protect trading

8. Lyttleton had proposed an Independent Review of the activities of the PRS Council, which was fiercely resisted by the Council, despite an almost 2 to 1 vote on a poll of the members for an Independent Review. To put this to a vote at the 1977 Annual General Meeting Lyttleton needed to have the names of 145 voting members affixed to a Requisition. He requested a list of the voting members which the Council refused to provide. Lyttleton brought a lawsuit to obtain this voting list and the High Court ordered PRS to produce the list. PRS, making free use of the members' money, appealed to the Court of Appeal where, unopposed, Lyttleton being unable to withstand the massive costs of this further litigation and not having the resources of some £30 million per annum of the PRS members' moneys, the Council prevailed on the technicality that PRS was 'a non-share company' and therefore not subject to the Companies Acts with respect to voting lists. However, shortly thereafter at the next AGM, by a massive 77% vote, the Council was directed to release the voting list to the members. Despite the clear wish of the membership to make the voting list available to them - a clear endorsement of Lyttleton's actions and a rejection of the Council's - the Council applied to the Court for costs of the suit to be assessed against Lyttleton and proceeded to collect them by deducting them from Lyttleton's royalty receipts from PRS at the rate of 10% of these royalties until such costs were paid in full.

9. Lyttleton had campaigned to extend the franchise to a larger segment than the hand-chosen 14% of the membership accorded that privilege by the Council. Again he met with fierce resistance from the Council who jealously guarded their fool-proof system of ensuring their re-election. At an Extraordinary General Meeting of the membership in 1977, the Council was forced to extend the voting franchise to some 54% of the membership, albeit on a weighted voting basis.

10. Despite the members vote to release the voting list, the Council refused to release the names of the voters who had been given multiple votes to the extent of 20 votes - which small group of some 400 members exercised effective control of the vote - and their identities were now, once again, only known to the Council. Parliament, which has been made aware of the blatant excesses of the PRS Council (an all-party group of 25 MPs having publicly condemned the Council) amended the Companies Acts in 1981 by what became known as 'the PRS Amendment', to force the Council to release finally the identities of ALL the voting members and how many votes each had. At an Extraordinary General Meeting of the Members of PRS shortly after the announcement of the proposed 'PRS Amendment', the Council reluctantly placed the issue before the members who enthusiastically voted to expose finally the identity of those who controlled their Society and thereby the entire music-writing and publishing industry in the UK.

11. This campaign by one man, Trevor Lyttleton, he states has taken some six years and cost him out of his own pocket some £40,000, and the PRS Council has expended untold hundreds of thousands of pounds of its members' money in fighting their losing battle to maintain their stranglehold on the Society. The Council has lost every step of the way because it would appear they were wrong in both fact and principle and Lyttleton was right. They persist in reaping their rewards and he finds they have more than doubled the salary of their spokesman, the self-same Mr Freegard, the symbol of their entrenchment, who now carries the exalted status of 'Chief Executive'. And the Council hasn't repaid a single penny of the members' money they so wantonly expended, while Lyttleton remains badly out of pocket.

Somehow it would appear to be very unusual

PRS: 'Immoral', says Gilbert

TIP for the Council of the Performing Rights Society —watch out tomorrow for a dark stranger.

This is Lewis Gilbert, feared and famed in American boardrooms for forty years as the vindicator of the rights of shareholders. Now, from New York, he takes aim at the Council.

That is well timed for tomorrow's annual meeting of the PRS, the company which collects copyright fees for composers and musicians.

The Council will be asked about their decision to dun rebel member Trevor Lyttleton for £4,000 in legal costs—for an action whose purpose (making the Council publish a list of voting mem-

BY CHRISTOPHER FILDES

bers) had the support of 77 per cent. of the membership.

Mr Gilbert backs him and blasts the Council:

'I cannot conceive of any reason a public company might offer that would warrant concealing from its membership, in whole or part, the voting list with specific reference to the shareholdings or the number of votes held by each holder.

Demanding

'It is quite clear that the members of PRS felt as I do in demanding that the voting list be

made available to them, and the Council's gambit of holding back the information as to those members who have the 20 votes (which represents effective control) is unforgivable.

'I find the series of excuses they have presented to be specious on their face.

'Clearly you (Mr Lyttleton) prosecuted a suit for the benefit of the members of PRS to obtain for them what is clearly their right and what they wanted: clearly the Council intended to resist your

attempt to obtain the voting list to the last penny of the members' money.

'And they almost succeeded when the Court found in their favour on a technicality — that the PRS was this rare English bird, a non-share company.

Frightening

'However, publicity and the members forced the list out of the Council's hands and all your actions were thereby vindicated. AND NOW the Council has assessed Court costs against you and intends to collect them. Frightening. Absolutely immoral. I sit 3,000 miles away and it has me up in arms.'

PRS stance frightening says US watchdog Lewis Gilbert

THE CONTINUING insistence by the Performing Right Society that campaigning member Trevor Lyttleton must pay legal costs resulting from his action to open up the voting list has been described as "frightening" by veteran American corporate watchdog Lewis Gilbert.

"Your controversy with PRS is almost unique in my experience," says Gilbert who has spent 40 years probing US corporations, "especially as regards the acrimony and vindictiveness the council has

consistently demonstrated towards you because of your attempts to penetrate the veil of secrecy they have drawn over their operations."

Gilbert's damning remarks are made in a letter to Lyttleton prompted by a request from PRS that he should hand over the contribution made by Gilbert towards the legal costs (*MW* February 23).

Giving his permission, Gilbert adds seven conditions including the stipulation that his money is not

used "to re-imburse the society with the costs of any campaign by the council designed to resist the efforts of any PRS members seeking adequate disclosure of information".

Gilbert also tells Lyttleton: "Clearly you prosecuted a suit for the benefit of the members of PRS to obtain for them what is clearly their right and what they wanted; clearly the council intended to resist your attempt to obtain the voting list to the last penny of the members' money.

"And they almost succeeded when the Court found in their favour on a technicality — that the PRS was this rare English bird, a 'non-share' company. However, publicity and the members forced the list out of the council's hands and all your actions were thereby vindicated.

"And now the council has assessed court costs against you and intends to collect them. Frightening. Absolutely immoral . . . I sit 3,000 miles away and it has me up in arms."

. . . The bitter battle between Trevor Lyttleton and the PRS is also not without its humour — secretary G. M. Neighbour has assured Lyttleton that Lewis Gilbert's contribution (see P1) would be applied solely to paying off his outstanding costs "and would therefore not be available for any other purpose whatever", to which a puzzled Lyttleton has enquired how the money would then be used: "Perhaps you would then burn the money, or do you use a shredder? Do enlighten me" . . .

MUSIC WEEK JULY 19, 1980

I am another disgusted and distressed member of the Performing Right Society. Despite this, I cannot quit it; as a composer, this organisation collects the royalties which represent the greatest part of my earnings as a composer and, PRS being a monopoly, I have nowhere else to turn.

Before Mr Trevor Lyttleton took up the cudgels against PRS I could not vote to elect the men who run it; I was not permitted to attend the Annual General Meetings; I had no way of knowing which members did have the vote; I was not permitted to receive the Annual Report.

Due to Mr Lyttleton's efforts, opposed at every stage by the PRS Council (I have been deluged by their circulars, sent out at the members' expense), I can now vote, attend the AGM, know which of my fellow members has the vote, receive the Annual Report (and find that Mr Freegard and certain fellow executives now pay interest on their loans). I also know that the Council has apparently spent hundreds of thousands of pounds of my—and fellow-members'—money in trying to resist these reforms.

I now find the Council, with a sanctimonious appeal to their 'moral' duty, intend to try to break Mr Lyttleton financially by gouging from him some £10,000 spent by them in legal costs on their battle to conceal the voting list from the members. I don't know what my share is of the money spent by the Council in fighting Mr Lyttleton's efforts on our behalf, but I enclose £10, little enough, as a con-

Poor Performance from PRS

Steve Haywood, your competent and reputable reporter, citing chapter and verse, documented facts and figures, took the Performing Right Society's Council and General Manager to task for their high-handed attempts to run roughshod over the membership and their vindictive threat to pursue Trevor Lyttleton for litigation costs (TO 487). Tim Hodgkinson, a fellow PRS member of good standing, endorses your reporter's views (Letters, TO 491).

I now find (TO 491) the bare allegation by the same General Manager, Mr Michael Freegard, that Mr Haywood's account (and, by implication, Mr Hodgkinson's also) was 'untrue' and 'grotesquely misleading'; but these allegations offer not a single fact or piece of documentation. Mr Freegard apparently believes his unsupported word is sufficient.

But this man, who in his own words was accused of having '*improperly, dishonestly and secretively*' discharged his responsibilities at PRS, who brought a libel suit to test the truth or falsity of these allegations which resulted in him being ordered to pay his accuser's costs, ask us blindly to accept his cryptic and unsupported denials (apparently made in the course of discharging his responsibilities at PRS).

Surely among the 500-odd employees and 24 Council members of PRS there must be at least one person better suited to defend that important institution; surely PRS must have a single untarnished Officer or Director to speak for it—and with facts.

Daily Mail, Friday, June 15, 1979

Law suit

NATIONAL HEALTH gives us free medicine; Legal Aid gives us free legal advice. Now — according to your report (City Page, May 25)—we have the Performing Rights Society which gives free libel suits (to the top brass).

As a PRS member, I am sending them my inside-leg measurements so they can fit me up with a free libel suit.

SPIKE MILLIGAN,
London, W.

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Spike was a loyal supporter of my campaign to right the wrongs in PRS

Trevor

The Rights And Wrongs Of Royalties

poser Trevor Lyttleton has been fighting since 1971 for internal democracy in the monolithic Performing Rights Society. The Society—which collects and distributes fees and royalties for all music performed publicly in Britain—has a £28m turnover, controlled by less than 7% of its membership. Last week it announced its intention to press Lyttleton for paying court costs awarded against him during his campaign.

The PRS decision to go for costs presents the latest shot in a savage battle that has racked the music industry for four years. This week Lyttleton attacked the PRS for what he described as 'a vendetta against the work I am doing in trying to set up a massive financial machine until recently has functioned without control'.

Lyttleton's 'David against Goliath' fight with the PRS originated in 1971 when he entered the music business as a career in commerce and law. He immediately became concerned at the organisation's lack of accountability over the vast sums it handled as royalties for music written by British composers. The PRS, established in 1914, is a monopoly organisation with the sole right of collecting and distributing the fees and royalties for all music publicly performed in Great Britain. The organisation exists as a non-profit-making company run by a Council of leading music publishers and 12 members. This appears to be an even balance of interests, but is weighted by the economic dependence of music publishers on publishers. Lyttleton has always claimed that the PRS—and its members—are, in effect, the publishing arm of the industry. It is this stranglehold he has set out to break.

At the time he first began to cross swords with them, few had questioned the Council's power. The Council had to say as to how many of the PRS's 100 members had voting rights: a somewhat unique power base concerning it was this membership that elected them. Until recently, only 14%

of the membership could vote, and only the same 14% were eligible to attend the annual general meeting or to see the accounts. More importantly, no one but the Council knew who these members were, so that lobbying for change was almost impossible.

By 1976, Lyttleton's complaints had become more virulent, and his criticisms and proposals for an increase in the franchise were reported in the music press. The reports carried strong allegations against the Council and the full-time officers of the PRS. The organisation's general manager, Michael Freegard, responded by issuing a libel writ, financed out of PRS funds.

According to Freegard, the accusations implied that he had acted 'improperly, dishonestly and secretly in the discharge of his responsibilities'. But despite the alleged seriousness of the allegations, the writ was subsequently withdrawn without coming to court and without apology by Lyttleton. In a humiliating retreat Freegard was ordered to pay Lyttleton's costs.

Lyttleton persisted with his campaign by pressing the Council to put his proposals to a meeting of the membership. He attempted to get hold of membership voting lists to canvass his case. The Council refused, arguing that votes were awarded on an earnings criteria and to divulge the list would be to reveal confidential financial information.

Still persisting, Lyttleton went to the High Court where he successfully demanded the details he was seeking. But this decision was later overturned by the Court of Appeal who held that since the PRS was registered as a company without share capital it was not required to produce the sort of information that other companies would be compelled to under the Companies Act.

All the same, because Lyttleton's campaign had attracted such adverse publicity for PRS, they were compelled to change the voting system. Previously, with only 14% of members franchised, a little under 7% could control affairs. Under 'weighted voting', the new system the Council have introduced, 6.8% of all members control affairs, though 54% have been enfranchised. PRS refuses to reveal their identities.

Nevertheless, Lyttleton's campaign has not been without effect. At least all members now receive the annual accounts, and some interesting stories

they've revealed too. In 1976, for instance, a total of £152,866 was outstanding from 8 executive officers in what the *Sunday Times Business News* described as 'virtually interest free' loans. The previous year three executive officers had shared in £99,500 worth of loans, with two of them, manager Freegard and PRS legal advisor Denis de Freitas, having interest-free loans of £35,300 each against government stock.

The rather favourable loan system at PRS has since been discontinued, but the Council have clearly not forgiven Lyttleton for his part in the change. After losing the Court of

Appeal judgement on the voting PRS were awarded costs against estimated at £10,000. Until recently it was widely thought that given circumstances they would not pay for these, but in a virtually unannounced letter published in this month's *and Recording* Freegard tells it differently. Despite the fact that the membership had to pay many thousands for his abortive libel Freegard writes: 'It is not the Society is letting Lyttleton legal costs... the Council sees reason why (these) should be borne by the membership generally.' (Haywood)

Performing rites

Steve Haywood's excellent piece, 'The Rights and Wrongs of Royalties', supporting Trevor Lyttleton's prolonged attempts to democratise the Performing Right Society, misses one vital point.

He accurately states that the PRS Council kept secret the identity of the members who had the vote—which prompted Lyttleton to sue the Society for the voting list. However, after the suit was resolved, the membership, by a mammoth 77% vote at the 1978 AGM, forced the Council to release the list to the members. This the Council has done in fact, though not in spirit. The 54% of the enfranchised members are now known to the members, who now know which of them have 1 or 10 votes; but the Council will not reveal those with 20 votes. This is significant since this group represents less than 1% of the total membership and some 7% of the vote necessary to elect a member to the Council!

Thus has this self-perpetuating Council defied the manifest intent of the membership, thereby retaining



Trevor Lyttleton: a long fight for democracy.

performing Rights

Interest Free-gard

Mr Michael Freegard, General Manager of the Performing Right Society (who has failed to respond to the questions we raised concerning excessive loans to himself and the Society's Legal Adviser Denis de Freitas [*Eye* 430]) has some interesting strange ideas about the extent to which PRS members have forked out for the loans to himself and other members of staff, not to mention the cost of the abortive libel action he brought against Trevor Lyttelton, allegedly to vindicate his reputation.

According to Freegard, Lyttelton's allegations suggested that he had acted "improperly, dishonestly and secretly" in discharging his responsibilities. Nevertheless, at the last minute, Freegard declined to continue his action in front of judge and jury thereby incurring Lyttelton's costs without receiving any sort of apology whatsoever.

Thus, according to Freegard, the costs of his libel proceedings were paid out of "members' money only in an indirect sense" — a phraseology which baffles even the cleverest semantic expert. Similarly, on the loans issue, Freegard considers that the loans to staff did not "come out of members' pockets" and were in fact "earning money for the members". He omits to mention whether he considers the £18,000 self-repaying loan to one officer (recently described in the *Sunday Times Business News* as "effectively interest-free") to have "earned money for the members". Did the interest-free "other loans" of £24,390 to eight officers outstanding in 1975 and the interest-free self-repaying loans of £35,000 to Messrs Freegard and de Freitas also "earn money for the members"?

When these questions were raised at the recent PRS AGM, Chairman Alan Frank described them as "time-wasting nonsense about loans to Officers". His "revised" version of the loans story was: "I think we are in the realm really of staff management and staff retention and general facilities that in central London particularly one has to do. . . A member of staff you really want to keep needs — and had got into a hole and wants £100 a month to tide him over — I really don't see anything wicked in this."

By so doing, Frank cleverly overlooks the much larger loans which were clearly outstanding to Messrs Freegard and de Freitas in 1975. In that year three Executive Officers shared in £99,500-worth of mortgage loans, two (Freegard and de Freitas) had interest-free loans against Government stocks of £35,300, two had £12,906 "Other Loans", and eight shared in £24,390 interest-free loans, totalling £172,906 to nine Executive Officers.

It therefore appears that Mr Frank will have to contend with a lot more "time-wasting nonsense" until he spells out once and for all 1) the total amounts loaned to de Freitas and Freegard in 1975 and 1976 in each of the three categories of loans; 2) the proportions which were effectively interest-free; 3) which two officers shared in the balance of the £73,500 house mortgage loans in 1977 (even after deducting the £56,000 loaned to de Freitas and still outstanding despite the termination of his employment with PRS; 4) which officer has outstanding a) the bridging loan of £15,000 interest-free for the first three months and b) the £18,000 loan against government stocks, and c) the house mortgage of £27,500 made after the end of the last financial year.

MUSIC WEEK, JULY 22, 1978

PRS: MPs want investigation

CLEMENT FREUD and his all-party group of 25 MPs are planning to take further action to effect an investigation of the Performing Right Society.

In a statement issued from the House Of Commons, Mr Freud says, "In their reply (June 28) to our letter to *The Guardian* of June 20, the PRS council avoids the serious issue raised by an all-party group of 25 MPs. They suggest that allegations that 'the requirements of the Companies Act were being overlooked' were their general manager's main reason for suing Trevor Lyttleton for libel. This is not borne out by Mr Freegard's statement of claim which clearly stated that the words complained of meant that Mr Freegard had acted improperly, dishonestly and secretively in and about the

discharge of his responsibilities'."

The statement continues, "The Council are significantly shifting their ground, for on April 14 they stated that it was 'in view of the Minister's answer' that they and Mr Freegard 'unanimously agreed that the libel action need not be continued'.

Moreover they fail to mention that the Minister, Mr Stanley Clinton Davis MP confirmed on June 19 that his answer was not intended to refer to the merits of the libel proceedings.

"Mr Freegard's specific excuse for his eleventh hour retreat from Judge and Jury having been clearly shown to be false, we intend to take further action to effect an investigation."

INSIDE BUSINESS

By Richard Milner

Performing in private

ANYWHAT you like about the Performing Right Society (or what matter what you don't like), it has certainly put on quite a performance in defence of the right to lend its executive officers large sums of money. In 1976, for instance, the total was £52,855. Now that Chancellor Callaghan is tightening everyone's economic corset, however, I am happy to report that these worthies exercised some restraint last year. Their PRS loans were cut back to £135,282, an average of some £15,031 a piece.

Some PRS executive officers, admittedly, appear to have borrowed more than others. Three had house mortgages totalling £3,500, which works out at an average of £24,500, at interest rates of 9½% and 10%. One was granted a £15,000 bridging loan at 9½%, one had a "self-repaying" loan of £18,000 (effectively

interest-free) and seven shared other loans totalling £28,000 (average £4,112) at 10%. With statutory discretion, the PRS does not specify who borrowed what.

Meanwhile, PRS "other ranks" had 46 loans totalling £36,079 or just over £784 apiece on average. General Manager Michael Freegard (salary £22,500-plus) has been moaning for months that executive officers are not specifically favoured and that banks and insurance companies do this sort of thing. It is high time he conceded publicly (a) that the PRS is not a bank or an insurance company and (b) that the brass is doing very nicely,

Members of the PRS, who collect around £20m of performance fees every year, could then decide whether to bring bouquets or brickbats to the

Patrick Wintour: Discordant noises among music-makers

Three MPs and two peers are de-
a Department of Trade enquiry
affairs of the Performing Rights
- which collects the royalties for
rs when their works are performed,
nand - in a letter to Tuesday's
n - comes the day after the Gen-
nager of the PRS, Michael Free-
andoned on the steps of the court-
libel action against one of the
esser members, Trevor Lyttleton, a
er of incidental music. Mr. Free-
s agreed to pay Mr Lyttleton's costs
receiving any apology, settlement
tion even though Mr Freegard felt
been accused by Mr Lyttleton - in
azine Music Week, in July 1976 - of
improperly, dishonestly and secret-
and about the discharge of his

quisitive mind of Mr Lyttleton has
the trail of PRS since 1976. His
in PRS (though harassed PRS
es would probably describe it as
o an obsession) was first aroused by
ketchy accounts. He was particularly
by the size of administrative ex-
- £2.9 million in 1976, compared
tal income of £21m - and by loans
2,866 to unnamed senior executives.
hen the courts, parliament, the spec-
music and financial press and indeed
f the music world have played host
row between PRS and Mr. Lyttleton.
w the documentation would make
ie most copious historian blanch. In
this year the trade secretary Mr
-Davies told the House of Com-
ne did not have sufficient evidence
r an investigation.

rtual monopoly, limited by guaran-
thus without shareholders, the PRS
the purse strings of every British
er. Lyttleton's concern was the way
h the PRS executive refused to re-
tails of what they did with the
rs' money and the lengths to which
ent in order to entrench their own
of that money by restricting voting
to a tiny proportion of the 10,000
rship.

Freegard has explained his retreat
e libel action by citing the govern-
decision in March not to investigate
S, saying that there is now no point
g the issue in court. However it is
r that Mr Clinton-Davies was com-
g on the libel case, thereby opening
to charges of breaching sub judice.
second cannot plead poverty, the

membership and who was not. The PRS's
General Council - effectively the board of
directors - elected the voting members, the
voting members elected the council and
only the council knew who the voting
members were, thereby making it somewhat
difficult to campaign inside PRS. At the
beginning of 1976, with support from some
major pop composers, Mr Lyttleton sought
to extract the voters list. On 10 June 1976,
he was told the council had not even dis-
cussed his request but at the annual general
meeting that month he extracted from the
chairman a vague promise to look at the
franchise. Days after his criticisms of the
PRS leadership appeared in Music Week
in July he received Freegard's libel writ.

Undaunted, Lyttleton engaged the solicitors
Freshfields to ask PRS about the
loans, the franchise and the administration
expenses. After a little help, PRS clammed
up and said they would answer further
questions only if Lyttleton would pay
for them. He then tried a mail shot of all
the 10,000 members to canvass support for
an independent review and received 1,100
favourable replies. PRS's own circular can-
vassing support for their voting proposals
at the end of the year received only 600
replies.

In the run up to the 1977 AGM Lyttleton
went to the courts on 3 June to secure a
list of the voters. PRS argued that legally
they were not authorised to release the list
and anyway since they selected as voters
the professionals who made a large amount
of money from PRS, it would involve a
breach of confidence. The court disagreed.
It ordered PRS to hand over the list. PRS
then appealed and in so doing delayed any
possible release of the register until after
the AGM. With only the Council being able
to campaign, it was not very surprising to
see them all re-elected.

PRS then went on the counter attack and
called an Extraordinary General Meeting
in November 1977 where they put their own
voting proposals increasing the franchise
from 13 to 54 per cent of the membership.
But they weighted the votes so that big
earners received as much as 20 votes; 701 of
the 5,400 voters thus had control. Calling
an EGM became harder still as the support
of 5 per cent of the electorate was needed:
550 signatures under the new voting system
instead of 55 before.

At the appeal, the court decided the PRS
were not obliged to hand over the names on
the voting list but there was nothing to stop
them doing so. After 11 months of litigation



Trevor Lyttleton: scourge of the PRS

ready within the council's discretion to
lish the list.

What of the loans to the senior ex-
tives and their rates of interest? A
Lyttleton's pressure has flushed out some
tails. Three senior officers had house
gages at market rates totalling £73,500.
De Freitas, the former head of their
department and now a consultant to PRS,
counted for £56,000 of this figure).
officer had a bridging loan for £10,000
9½ per cent. In 1976 eight executives
receiving interest free loans totalling £2
though since Lyttleton this practice has
quietly dropped. In the same year, 1976,
officers had what were ingeniously des-
as self-repaying loans totalling £30,000.
These too were interest free since the
per cent interest was paid by PRS on
grounds that the two executives had
gone salary increases that had appar-
been recommended for senior executive
PA Management Consultants in 1975.
consultants' report has never been
lished. Nor does there seem to be much
ence of forbearance in the settle-
the PRS's top salaries. In 1974 the
highest salaries were between £17,500
£20,000; in 1977 between £25,000
£27,500. The chairman of PRS comm-
on these loans of members' money s-
senior officers had been 'specially favo-
Yet it is quite obvious from the inform-
provided by PRS themselves, that the
officers have been given special treat-
over the 500 other employees and that
men in particular, Mr Freegard and
Freitas, have been helped most.
Neither the courts nor the under-se-
at the Department of Trade said any-
vindicate this kind of financial deal-

Extract from
Aberdeen Press & Journal

- 5 JAN 1984

Music Rights ²⁴⁷⁰

Letter

SIR. — I read with amazement John Duckers' report in your December 9, issue headed "Chamber attack on music 'snoopers'," in which Mr Derek Marnoch, chief executive of Aberdeen Chamber of Commerce is reported as being concerned because the Performing Rights Society have employed a security firm to trace unauthorised performances of music. Mr Marnoch is reported as stating: "I would hardly have thought it worth their while to chase up the smaller organisations."

And why not? Is Mr Marnoch seriously suggesting that small organisations should be subsidised free of charge by British composers, 80% of whom earn less than £250 per

annum from the PRS? Is Mr Marnoch going to suggest next that they should escape paying for their rates, telephones and toilet paper as well? Why pick on the poor composer?

As to the suggestion in your article, which is emblazoned across your headline, that the PRS licensees are "snoopers" and therefore "sneaky", how else do you suggest they carry out the difficult task of ensuring that those who wish to steal the fruits of others' labours by the free and unauthorised performance of music, are properly brought to book?

TREVOR LYTTLETON,
Solicitor, 23 Bryanston Court, George Street, London W1.

Fair play for poor composers

YOU use very emotive language in your article about the "shock ban" on music while you work in 36 car service depots following a "demand" by the Performing Right Society for £24 per depot.

You seem to suggest there is something wrong in the society's proposal that those who default on their licence payments should "pay up or face going to court."

But why should workers be subsidised free of charge by British composers, 80 per cent of whom earn less than £250 from the PRS?

Will you next propose that factories and service stations should escape paying for rates, telephones and toilet paper as well? Why pick on the poor composer?

TREVOR LYTTLETON,
London, W.

INTERNATIONAL PRESS-CUTTING BUREAU
Lancaster House,
70 Newington Causeway, London, S.E.1

Extract from
Evening Chronicle,
Newcastle Upon Tyne.

- 6 MAR 1984

Music licences

HAROLD SCOTT seems to think that British composers, 80 per cent of whom earn less than £250 per annum from the Performing Right Society, should subsidise free of charge firms playing music on commercial premises.

Perhaps he will next propose that such firms should escape paying for their rates, electricity, telephones and toilet paper into the bargain.

He also appears to imagine that if five to 20 people have a party at home, the PRS inspector will come knocking on the door asking for a

licence. He is totally misinformed. No such licence is required for performances of music for private or domestic use.

Although the Performing Right Society have the difficult task of bringing to book those who wish to steal the fruits of composers' creative labours by the free and unauthorised performance of their music, they still have a long way to go in ensuring that British composers receive a proper reward for the public performance of music. — TREVOR LYTTLETON, Bryanston Court, George Street, London W1.

EXPRESS AND STAR, MONDAY, MARCH

Why pick on composers?

Your report (March 5) suggests barber Les Farrar is some kind of local hero for his resistance to paying the small licence fee due to The Performing Right Society for the performance of music on his premises.

Does Mr Farrar suggest that small businesses should be subsidised free of charge by British composers, 80 per cent of whom earn less than £250 per annum from the royalties collected by PRS?

shampoo and hair cream. Why should he pick on a poor composer and call it to be "ludicrous" that composers should be paid for music his customers presumably been paying for as long as he refused to charge, for a very long time.

Perhaps Mr Farrar should see the matter in a different perspective if local businesses were to descend on him as long as he refused to charge his legal obligations to the society responsible for their livelihood. The Performing Right Society